

ADOPTED
DEC 10 2013

Resolution of the New Jersey Economic
Development Authority to Adjourn from the
Public Session and Enter Into Executive Session

Now, therefore, be it resolved that at a meeting of the New Jersey Economic Development Authority held on Tuesday, December 10, 2013, the Members entered into Executive Session to discuss a confidential matter. The minutes will be made public when the need for confidentiality no longer exists.

This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: 12/10/2013

EXHIBIT 28

ADOPTED

DEC 10 2013

Executive Session
Attachments

Resolution of the New Jersey Economic
Development Authority Regarding Approval
Of (1) Negotiation and Execution of Agreement
For Sale with Cooper's Ferry Partnership for the
Sale of 1 and 11 Federal Street, Camden, NJ
(2) Utilization of NJEDA Project Funds (3) Assignment
of the Lease with L-3 Communications to Cooper's Ferry
Partnership and (4) Write-off of Any Net Loss Relating to
Subordinated Debt Associated with the Project (5) Execute
Any and All Documents Required Effectuating these Transactions

WHEREAS, the Members of the New Jersey Economic Development Authority have been
~~presented with and considered a Memorandum, in the form attached hereto; and~~

WHEREAS, the Memorandum requested the Members to adopt a resolution authorizing
certain actions by the New Jersey Economic Development Authority, as outlined and explained in said
Memorandum.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic
Development Authority as follows:

1. The actions set forth in the Memorandum, attached hereto, are hereby approved,
subject to any conditions set forth as such in said Memorandum.

2. The Memorandum, attached hereto, is hereby incorporated and made a part of this
resolution as though set forth at length herein.

3. This resolution shall take effect immediately, but no action authorized herein shall
have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the
minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor
for his approval, unless during such 10-day period the Governor shall approve the same, in which case such
action shall become effective upon such approval, as provided by the Act.

DATED: December 10, 2013



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: December 10, 2013

RE: Sale of Property to Cooper's Ferry Partnership
1 & 11 Federal Street, Camden, NJ
L-3 Project

Summary

The Members are requested to approve: (i) the negotiation and execution of an Agreement for Sale with Cooper's Ferry Partnership (CFP), a New Jersey not-for-profit corporation (the "Purchaser"), for the sale of 1 and 11 Federal Street, Camden, New Jersey (the "Property/Site") for a purchase price that represents the greater of: (a) ninety percent (90%) of the appraised fair market value of the Property; or (b) the amount necessary to pay or defease the outstanding bonds and credit enhancement related to the Property plus any early termination payments due under the interest rate risk management transaction currently in effect; (ii) the utilization of NJEDA Project funds in the approximate amount of \$3.5 million as a repayment of a portion of the subordinate debt due to the New Jersey Casino Reinvestment Development Authority and the New Jersey Redevelopment Authority; and (iii) the assignment the Lease with L-3 Communications to Cooper's Ferry Partnership.

Background

The L-3 Project consists of two buildings, an Administration Building and a Manufacturing Building, totaling 575,000 square feet on approximately 20 acres of land in Camden which was constructed in 1993. The project is currently ground-leased to Camden County Urban Renewal Limited Partnership, a NJ limited-partnership which is 100% owned by the Authority, and subleased to L-3 Communications Corporation through March of 2018.

The \$79 million project was developed through an innovative public/private partnership. Under this partnership arrangement, the Authority served as the construction and permanent lender as well as the conduit for \$30 million in public sector financing being invested in the project, as well as, a \$41 million bond issue. The public investors included the Authority, County of Camden, New Jersey Urban Development Corporation, and Casino Reinvestment Development Authority.

The project debt was refinanced in 2002 which included a 15 year lease extension with L-3; a \$24MM settlement with the County of Camden; issuance of \$43MM of taxable bonds; a \$10MM guarantee of the Letter of Credit by both the Authority and DRPA; and restructuring of the existing notes with the Authority, NJRA and CRDA.

Earlier this year, the Authority received an unsolicited offer to purchase the L-3 project from CFP. The purchase price offered was the greater of: (a) ninety percent (90%) of the appraised fair market value of the Property; or (b) the amount necessary to pay or defease the outstanding bonds and credit enhancement related to the Property plus any early termination payments due under the interest rate risk management transaction currently in effect. An appraisal is currently being prepared by J. McHale & Associates, Inc. and is expected to be complete in early December. As of December 31, 2014, the approximate amount of senior debt and termination payments is \$34,071,670.

Since the purchase price only includes repayment of the senior debt on the project, approval is also requested to use Authority funds in the approximate amount of \$3.5 million as a payment to the New Jersey Casino Reinvestment Development Authority and the New Jersey Redevelopment Authority in consideration of the \$10,817,151 that is owed to them under their share of the subordinated debt (refer to the attached chart). The remaining amounts owed to these agencies will need to be forgiven. Approval by the respective Boards of the New Jersey Casino Reinvestment Development Authority and the New Jersey Redevelopment Authority to accept a portion of the amounts due and write off the remaining Project debt will be a requirement of closing. It is recommended that the NJEDA pay CRDA the amount of \$1,932,496 (100% of principal), and NJRA's proportionate share of principal in the amount of \$1,567,075 (52.24% of principal).

As part of the sale transaction, the Authority will assign the existing lease with L-3 Communications to CFP and extinguish the Camden County Urban Renewal Limited Partnership and both of the corporate entities that represent the partners.

Closing on the Property will be scheduled upon completion of the Purchaser's due diligence and satisfaction of any contingencies and compliance requirements. The Property is being sold "as is, where is" and has no known environmental or title issues.

The attached Agreement of Sale is in substantially final form. The final form of the document may be subject to revisions, although the basic terms and conditions will remain consistent with its current form. The final terms of the Agreement of Sale will be subject to the approval of the Chief Executive Officer, the President/Chief Operating Officer and the Attorney General's Office.

Recommendation

In summary, I am requesting the Members' approval to: (1) negotiate and execute an Agreement for Sale with Cooper's Ferry Partnership for the sale of 1 and 11 Federal Street, Camden, New Jersey for a purchase price that represents the greater of: (a) ninety percent (90%) of the appraised fair market value of the Property; or (b) the amount necessary to pay or defease the outstanding bonds and credit enhancement related to the Property plus any early termination payments due under the interest rate risk management transaction currently in effect; (2) utilize NJEDA Project funds in the approximate amount of \$3.5 million as a repayment of a portion of the subordinate debt due to the New Jersey Casino Reinvestment Development Authority and the New Jersey Redevelopment Authority; (3) assign the Lease with L-3 Communications to Cooper's Ferry Partnership; and (4) execute any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office, the Chief Executive Officer and the President/Chief Operating Officer.

Timothy J. Lizura
President/Chief Operating Officer

Atts.

Prepared by: Donna T. Sullivan